

# **Corporate Compliance with Acquisition Notification Obligations to the KPPU: A Legal Review of Article 29 of Law No. 5 of 1999 (Case Study of TikTok Nusantara – Tokopedia)**

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## **Abstract**

The notification of a company acquisition based on Article 29 of Law No. 5 of 1999 concerning Prohibition of Monopoly and Unfair Business Competition is an obligation that must be fulfilled by business actors. In January 2024, TikTok Nusantara (SG) Pte. Ltd acquired shares in the company PT Tokopedia, Tbk, which resulted in an obligation to report or notify the Business Competition Supervisory Commission (KPPU) of the purchased shares. However, based on KPPU Decision Number 02/KPPU-M/2025, there was a delay in notification from TikTok Nusantara (SG) Pte. Ltd as the acquiring party to the KPPU. The cross-border transaction involving the Big Tech entity resulted in administrative sanctions in the decision. However, in its defense as mentioned in the decision, the acquiring party stated that it had submitted a post-acquisition notification, but the



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reporting party was its parent company, TikTok Pte. Ltd, so the KPPU considered that there was a violation related to the legal entity obliged to submit the notification, particularly in the context of using a foreign Special Purpose Vehicle (SPV) as the acquiring entity. The main issue lies in the ambiguity of the identity of the party considered to be the acquiring party's legal entity, and the effective time of the transaction used as the basis for calculating the notification deadline. This study uses a normative juridical method with a case approach to KPPU Decision Number 02/KPPU-M/2025. The unclear legal status of SPVs in multinational corporate structures has the potential to create legal uncertainty and hamper the effectiveness of market concentration supervision in the digital sector.

**KEYWORDS**

***Compliance, Acquisition, Competition Law.***

## Introduction

Corporate compliance in acquisition activities is an important instrument for maintaining market integrity and ensuring transparency in the business consolidation process. In the context of competition law, compliance does not only mean administrative adherence to reporting obligations, but also reflects the legal responsibility of companies to prevent economic concentration that has the potential to lead to monopolistic practices. This study shows that notification obligations are an integral part of good corporate governance, especially for entities operating in the digital ecosystem and having cross-jurisdictional ownership structures.

Mergers and acquisitions are corporate strategies used to expand business scale, strengthen market position, and improve business efficiency. These activities are part of the modern economic dynamics that encourage business integration and resource efficiency. Although they have the potential to accelerate economic growth, mergers and acquisitions also carry the risk of excessive market concentration, which can lead to imbalances in the competitive structure. Mergers, acquisitions, and consolidations are actually permitted as long as they benefit all parties and are solely aimed at business development. However, there are also indirect negative impacts on minority shareholders, employees, creditors, and even the public (consumers) as a result of mergers and acquisitions in a company. Losses to the consumer community can occur because mergers and acquisitions have an impact on reducing the level of business competition.<sup>1</sup>

Share acquisitions are often carried out by business actors as a strategy to increase efficiency and maximize profits, one of which is through reducing production costs. The acquired company also tends to

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<sup>1</sup> Kagramanto, L. Budi. (2008). *Hukum Persaingan Usaha: Tinjauan terhadap Merger, Konsolidasi, dan Akuisisi di Indonesia*. Surabaya: Airlangga University Press, halaman 221.

have great potential to benefit from economies of scale. In accordance with applicable regulations, business actors are required to submit a notification if the share acquisition has met a certain threshold value, either based on the asset value or the sales value of the companies involved in the transaction.<sup>2</sup> Moreover, with their considerable market power, there are concerns that merged companies could easily engage in anti-competitive practices, such as unfair pricing, restricting access for new competitors, or abusing their dominant position to hinder innovation.<sup>3</sup>

Therefore, legal actions such as mergers, consolidations, acquisitions, or divisions of companies that could lead to monopolies, monopsony, or unfair or unhealthy competition should be avoided from the outset. In other words, mergers, consolidations, acquisitions, or divisions of companies should take into account the interests of the company, shareholders, company employees, or the public, including interested third parties, and such mergers, consolidations, acquisitions, or divisions of companies cannot be carried out if they would harm the interests of certain parties.<sup>4</sup>

The share acquisition transaction involved Tokopedia, a company engaged in electronic commerce (marketplace and e-commerce), and TikTok, a company established specifically for this acquisition transaction. The main objectives of this acquisition include re-entering the e-commerce market in Indonesia by partnering with Tokopedia and enabling the separation of social media and e-commerce systems. The acquisition gives TikTok control of 75.01 percent of Tokopedia's shares, while the remaining 24.99 percent is still owned by PT GoTo Gojek

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<sup>2</sup> Nugroho, S.A, Hukum Persaingan Usaha di Indonesia: Dalam Teori dan Praktik Serta Penerapan Hukumnya. (Yogyakarta: Kencana, 2012), halaman 117

<sup>3</sup> Anggie Fauziah Dwiliandari, "Dilematika Pelonggaran Pengawasan Aksi Mergers sebagai Kebijakan Reformasi Pemulihan Ekonomi", Jurnal Persaingan Usaha, Edisi No. 1 Vol. 1, Fakultas Hukum Universitas Indonesia, 2021, halaman. 44

<sup>4</sup> Rahmadi Usman, Hukum Persaingan Usaha di Indonesia, ed. Tarmizi (Jakarta: Sinar Grafika, 2013), halaman. 133.

Tokopedia Tbk. This transaction became legally effective on January 31, 2024, so the deadline for submitting the notification to the KPPU should have been no later than March 19, 2024.<sup>5</sup>

In the decision discussed in this article, the author examines and analyzes the decision regarding the compliance of the acquiring companies, in this case PT Tokopedia Tbk and TikTok Nusantara Pte. Ltd., with Law No. 5 of 1999. The decision explains that the establishment of an SPV (special purpose vehicle) by TikTok Pte. Ltd. was indeed intended as a mechanism to separate risks and limit the potential financial losses of the parent company. However, this type of corporate structure can simultaneously raise legal issues, especially when used in a way that results in the neglect of obligations stipulated in Law No. 5 of 1999.

An SPV is a special entity formed to carry out specific business practices. In general, the purpose of forming an SPV is to mitigate the risks that a company will incur as a result of carrying out a business activity. In addition, the formation of an SPV also aims to minimize tax payments. When reviewing the practice of forming SPVs, it is actually something that is often done in other countries.<sup>6</sup> In other words, even though SPVs have a legitimate business function, their existence can also raise suspicions that they are being used to avoid legal responsibilities that should be fulfilled by the acquiring party. It is advisable to include additional provisions in Law No. 40 of 2007 regarding parent-subsidiary relationships. Based on the above analysis, which states that the relationship between the SPV and the founding business entity is a parent-subsidiary relationship, the recommendation for additional regulations in Law No. 40 of 2007 is also relevant to the development of

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<sup>5</sup> Berita KPPU : TikTok Didenda Rp15 Miliar karena Telat Laporkan Akuisisi Tokopedia Diakses melalui <https://kppu.go.id/blog/2025/09/51383/> pada tanggal 30 Oktober 2025

<sup>6</sup> Vonny Kartika Gani, dkk. Jurnal Bedah Hukum Fakultas Hukum Universitas Boyolali Vol. 8, No. 2, 2024, hlm. 187.

project financing transactions. The author argues that Law No. 40 of 2007 could adopt concepts from the corporate laws of other countries.<sup>7</sup>

## Method

The research method used to answer the problems in this study is normative juridical. Normative juridical research is generally conducted by examining secondary data consisting of primary, secondary, and tertiary legal materials<sup>8</sup> which include data in the form of laws and regulations related to acquisitions applicable in Indonesia and Singapore as well as journals and dictionaries as supporting materials in researching the problem formulation. Secondary data was collected through literature study, which was then analyzed qualitatively to produce specific conclusions using deductive logic, namely the results of the implementation of acquisition regulations based on competition law in Indonesia and Singapore. The case study taken by the author in this research is related to the delay of TikTok Nusantara Pte. Ltd in notifying PT Tokopedia Tbk's post-acquisition to KPPU, which has been written through KPPU Decision Number 02/KPPU-M/2025.

## Result and Discussions

### **1. Corporate Compliance with Acquisition Notification Obligations to the KPPU**

Acquisition can be defined as the takeover of a company by purchasing a majority of its shares, thereby becoming the controlling

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<sup>7</sup> Amrul Akbar, Nyulistiowati Suryanti, dan Aam Suryamah, Hubungan Dan Kedudukan Hukum Atas Special Purpose Vehicle Dalam Transaksi Pembiayaan Proyek, *Jurnal Sains Sosio Humaniora* Volume 6, Nomor 1, Juni 2022. Halaman 187.

<sup>8</sup> Soerjono Soekanto and Sri Mamudji, *Penelitian Hukum Normatif*, Cetakan ke 20. (Depok: Rajawali Pers, 2021). Halaman 12.

shareholder.<sup>9</sup> In a company acquisition, the acquirer must hold at least 51% of the shares after the acquisition, because if the percentage is less than that, the target company cannot be controlled.<sup>10</sup> In principle, the legal act of acquisition does not result in the dissolution or termination of the company/corporation whose shares are acquired.<sup>11</sup> Therefore, the acquired company/corporation continues to exist, only that control over the company/corporation is transferred to the acquirer.

In recent years, cross-border acquisitions by global technology companies have shown a significant upward trend. Large companies such as Microsoft, Google (Alphabet), Amazon, Apple, and Meta (Facebook) are expanding their business power through acquisition strategies targeting companies in various jurisdictions. This move is part of an effort to strengthen their strategic position in the global supply chain, accumulate new technology, and expand their control over global digital data and markets. According to the UNCTAD World Investment Report 2024, cross-border investment in the digital sector increased by around 40% during the 2015–2023 period, with most of this increase coming from acquisition transactions rather than new investments (greenfield investment).<sup>12</sup>

This phenomenon is also reflected in the case of TikTok's acquisition of a portion of Tokopedia's shares (through its parent company ByteDance Ltd.) at the end of 2023. Through a cross-border investment scheme, TikTok acquired 75.01% of Tokopedia's shares with

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<sup>9</sup> Nasrulloh, M.D. (2021). Dampak Keterlambatan Pemberitahuan Pengambilalihan Saham Perusahaan Terhadap Larangan Praktik Monopoli Dan Persaingan Usaha Tidak Sehat. *Jurnal Suara Hukum*, Vol.3,(No. 1), p. 143-173.

<sup>10</sup> Susanti Adi Nugroho, *Hukum Persaingan Usaha Di Indonesia, Dalam Teori Dan Praktik Serta Penerapan Hukumnya*, Penerbit Kencana, Jakarta, 2012, hlm. 486

<sup>11</sup> M. Yahya Harahap, *Hukum Perseroan Terbatas*, Penerbit Sinar Grafika, Jakarta, 2015, hlm. 509.

<sup>12</sup> United Nations Conference on Trade and Development (UNCTAD), *World Investment Report 2024: Investment in the Digital Economy* (Geneva: United Nations, 2024), hlm. 56.

a transaction value of around USD 1.5 billion (around IDR 23 trillion).<sup>13</sup> This transaction is one of the largest cross-border acquisitions in Indonesia's digital economy sector and marks a collaboration between a global social media platform and a local e-commerce company.

This acquisition comes after the Indonesian government, through Ministry of Trade Regulation No. 31 of 2023, banned social commerce practices that combine social media and direct transactions on a single platform. Through this acquisition, TikTok is seeking to adjust its business model to remain operational in the Indonesian market by leveraging Tokopedia's legal and logistics infrastructure. The rapid development of digital technology has fundamentally changed the competitive landscape, particularly in the Indonesian market, which has the largest digital population in Southeast Asia. Market consolidation, particularly through mergers and acquisitions (M&A) by giant technology companies (Big Tech), has become an inevitable phenomenon. Such acquisitions, which are often cross-border in nature, have the potential to create or strengthen dominant positions, thus requiring strict supervision by competition regulators, in this case the Business Competition Supervisory Commission (KPPU).

Notification is a written notification to the KPPU that must be submitted by business actors since the merger, consolidation, or acquisition of shares and/or assets became legally effective.<sup>14</sup> This notification obligation is regulated in Law Number 5 of 1999 concerning Prohibition of Monopolistic Practices and Unfair Business Competition (Law 5/1999). The merger or consolidation of business entities, or the acquisition of shares as referred in Article 28, which results in the value of

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<sup>13</sup> Cnbc Indonesia: TikTok Kuasai 75% Saham Tokopedia, Nasib GoTo Gimana?. Melalui laman yang diakses <https://www.cnbcindonesia.com/tech/202312051140-37-496339/tiktok-kuasai-75-saham-tokopedia-nasib-goto-gimana> pada tanggal 30 Oktober 2025

<sup>14</sup> Peraturan KPPU Nomor 3 Tahun 2023 tentang Penilaian Terhadap Penggabungan, Peleburan, Atau Pengambilalihan Saham Dan/Atau Aset Yang Dapat Mengakibatkan Terjadinya Praktik Monopoli San/Atau Persaingan Usaha Tidak Sehat, Pasal 1 ayat 5.

assets and/or sales exceeding a certain amount, must be notified to the Commission no later than 30 (thirty) days from the date of the merger, consolidation, or acquisition.<sup>15</sup>

Regarding the acquisition carried out by TikTok, there is an obligation to notify or report the acquired shares to the KPPU no later than 30 days from the effective date of the acquisition. Based on Article 29 of Law No. 5 of 1999 concerning the prohibition of monopolistic practices and unfair business competition, it is stated that mergers or consolidations of business entities, or acquisitions of shares as referred to in Article 28, which result in the value of assets and/or sales exceeding a certain amount, must be reported to the Commission no later than 30 (thirty) days from the date of the merger, consolidation, or acquisition.<sup>16</sup>

***2. Delay in Notification of Tokopedia Acquisition  
by Tiktok Nusantara based on KPPU  
Decision Number 02/KPPU-M/2025***

E-commerce refers to any activity or transaction involving the buying and selling of goods or services conducted using electronic media (the internet). E-commerce can be accessed through various platforms in Indonesia such as Shopee, Lazada, Tokopedia, and others. The significant increase in the number of businesses in this sector has driven intense competition, creating a competitive and challenging market

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<sup>15</sup> Undang-Undang Nomor 5 Tahun 1999 Pasal 29 (1) tentang Larangan Monopoli dan Persaingan Usaha Tidak Sehat.

<sup>16</sup> Ibid.

dynamic.<sup>17</sup> TikTok is a social media and music video platform that allows users to create, edit, and share short videos.<sup>18</sup>

As one of the world's largest technology companies, TikTok, through its parent company ByteDance Ltd., has grown into a digital platform with significant influence in the short video content market, digital advertising, and the e-commerce ecosystem. TikTok's presence in Indonesia is not only a social media platform, but also as a major player in the development of social commerce that combines social interaction with real-time commercial transactions. The integration of algorithms, digital infrastructure, and a massive user base makes TikTok a strategic player in Indonesia's digital economy landscape.

In an increasingly competitive digital market, collaboration and consolidation between platforms have become important strategies for strengthening business positions. Tokopedia, one of the largest e-commerce companies in Indonesia, is in the process of restructuring its ecosystem following its merger with GoJek into the GoTo entity. Fierce competition with global and local players has created a need to strengthen business models, including through integration with social platforms that can generate high traffic and conversions. In this context, the acquisition of Tokopedia by TikTok Nusantara (SG) Pte. Ltd. is a strategic move for both entities to maintain their competitiveness in the Indonesian digital market.

This transaction essentially aims to create business synergies between the short-video platform and e-commerce services, enabling users to make transactions directly through the content displayed. This

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<sup>17</sup> Mohammad Orinaldi, "Peran E-Commerce dalam Meningkatkan Resiliensi Bisnis di era Pandemi", *Iltizam Journal of Shariah Economic Resea*, Edisi No. 2 Vol. 5, Universitas Islam Negeri Sultan Thaha Syaifuddin Jambi, 2020, halaman 44-45.

<sup>18</sup> Putri Nuning Rahmana, et.al., "Pemanfaatan Aplikasi TikTok Sebagai Media Edukasi di Era Generasi Z", *Jurnal Teknologi Pendidikan*, Edisi No. 2 Vol. 11, Universitas Nusantara PGRI Kediri, 2022, halaman 403.

integration model is known as content-driven commerce, which is currently growing rapidly in various countries. For TikTok, the entry of Tokopedia as a strategic partner provides access to a broad market, logistics infrastructure, and an established seller base. Conversely, for Tokopedia, integration with TikTok offers opportunities to strengthen organic traffic, increase purchase conversions, and expand market reach, especially for Mini mental state examination (MSME or called UMKM) players.

However, even though the transaction has strategic value in the context of digital business, any acquisition involving a change in company control is still subject to merger control provisions in Indonesia. Article 29 of Law No. 5 of 1999 requires business actors to submit a notification of share acquisition to the KPPU within a specified period. This provision is intended to ensure that any business consolidation does not result in market concentration that is detrimental to competition. In the case of TikTok Nusantara and Tokopedia, the issue arose not from the substance of the acquisition, but from administrative compliance aspects, particularly regarding the determination of the effective date of the transaction and the designation of the legal entity required to submit the notification.

KPPU Decision Number 02/KPPU-M/2025 shows that the delay in notification by TikTok Nusantara (SG) Pte. Ltd. occurred due to the inaccurate identification of the legal entity responsible for reporting. Based on the Decision file, the acquisition of PT Tokopedia shares by TikTok Nusantara became legally effective on January 31, 2024, through a notification of amendments to the articles of association to the Minister of Law and Human Rights. Thus, the deadline for submitting the notification to the KPPU was March 19, 2024 (30 working days after the effective date). However, as of that date, TikTok Nusantara had not submitted the notification as required by Article 29 of Law No. 5 of 1999 in conjunction with Article 5 of Government

Regulation No. 57 of 2010. The KPPU considers that the initial notification submitted by TikTok Pte. Ltd., which is the parent company, cannot be considered as fulfilling the legal obligation, because the regulation explicitly states that the party required to submit the notification is the business entity that directly carried out the acquisition, namely TikTok Nusantara (SG) Pte. Ltd.

Misunderstanding of the position of SPV as an acquisition entity was the main administrative cause for KPPU to determine a delay in notification of 88 working days. The establishment of TikTok Nusantara as an SPV for the purpose of executing the transaction, where the term "SPV" is interpreted as isolating financial risks or avoiding financial losses, but on the other hand also has the potential to violate Law No. 5 of 1999, namely being misused to avoid legal obligations. That a legal action, including a share acquisition, must comply with the procedures or formal requirements stipulated by applicable laws or regulations. In order to comply with formal principles, the administrative procedure of notification of share acquisition must still be carried out by the acquiring business entity and not by the BUIT (its called Badan Usaha Induk Tertinggi or Supreme Parent Business Entity). The process and method of implementing the share acquisition must comply with existing legal regulations, not only in terms of the substance or purpose of the share acquisition itself.<sup>19</sup> Compliance with merger notification is not merely an administrative procedure, but an important instrument for maintaining transparency in market concentration, especially in the digital sector, where transaction values are large but ownership structures are complex. In this decision, KPPU reaffirms this principle by stating that the timeliness of notification is part of a legal obligation that cannot be replaced by good faith or notification by another entity within the same business group.

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<sup>19</sup> Putusan KPPU Nomor 02/KPPU-M/2025, diakses melalui <https://putusan.kppu.go.id/menu/> pada tanggal 30 Oktober 2025

In its defense, TikTok Nusantara stated that the delay was unintentional and stemmed from the perception that the notification could be made by TikTok Pte. Ltd. as the parent company that is more active in Indonesia. However, the KPPU emphasized that the takeover by the SPV still imposes a direct obligation on the SPV, so that failure to identify the subject of the notification does not eliminate legal responsibility. The issue of late notification is not merely a technical administrative matter, but reveals a fundamental issue in the governance of cross-border transactions, particularly in relation to digital conglomerate structures and the use of SPVs. The KPPU's emphasis on the importance of identifying legal entities demonstrates its efforts to ensure compliance with merger control and maintain the effectiveness of market concentration oversight in an ever-evolving digital ecosystem.

The business entity that establishes an SPV also takes the form of a PT that conducts business operations (strategic/operating holding) or does not conduct operations (investment holding). There are no provisions limiting the founding business entity from conducting its own business operations.<sup>20</sup> The legal relationship between the SPV and the founding business entity in project financing transactions covers two things: share ownership and acting as a guarantor in the credit agreement between the SPV and the creditor. The legal relationship and obligations are clear in the establishment of the SPV by the founding business entity in committing itself to cooperate and obtain mutual benefits.<sup>21</sup>

During the trial, KPPU emphasized that every share acquisition must be reported in accordance with applicable legal procedures. TikTok Nusantara (SG) Pte. Ltd. is referred to as a special purpose vehicle (SPV) formed specifically for this transaction. According to the KPPU, the use

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<sup>20</sup> Amrul Akbar, Nyulistiowati Suryanti, dan Aam Suryamah, Hubungan Dan Kedudukan Hukum Atas Special Purpose Vehicle Dalam Transaksi Pembiayaan Proyek, Jurnal Sains Sosio Humaniora Volume 6, Nomor 1, Juni 2022 halaman 180.

<sup>21</sup> Yahya Harahap, Segi-Segi Hukum Perjanjian, Cetakan Kedua, Bandung: Alumni, 1986, hlm. 260.

of SPVs has the potential to be misused to avoid legal obligations. Although the KPPU had previously approved this acquisition conditionally and assessed that there would be no negative impact on business competition, administrative negligence was still categorized as a violation. Therefore, conditional approval does not eliminate administrative obligations. Notifications must still be submitted in a timely manner by the acquiring business entity.<sup>22</sup>

In Indonesia, regulations related to SPVs are not clearly explained in legislation, particularly Law No. 40 of 2007 concerning Limited Liability Companies and Law No. 25 of 2007 concerning Investment. However, based on a case study in the decision, it was analyzed that TikTok Nusantara Pte. Ltd. is a Singaporean legal entity recognized as a foreign business entity operating in Indonesia, which in this case acquired an Indonesian legal entity, PT Tokopedia, Tbk. Therefore, the KPPU's decision in this case is correct in that TikTok was negligent in reporting the acquisition to the KPPU, which should have been done by its parent company, not TikTok Nusantara Pte. Ltd. This error in the subject matter resulted in the acquisition not being notified, causing a delay in the acquisition notification process that should have been carried out to the KPPU. In its defense, TikTok stated that the notification had been submitted by TikTok Pte. Ltd. as the parent company. However, as revealed in KPPU Decision Number 02/KPPU-M/2025, this step shows that TikTok was unaware, or at least ignored, that the entity legally obliged to submit the notification was TikTok Nusantara (SG) Pte. Ltd., which was the party that directly acquired Tokopedia's shares. This misidentification of the legal entity ultimately became the main basis for the KPPU's determination of the late notification.

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<sup>22</sup> KPPU, SIARAN PERS KPPU Nomor 066/KPPU-PR/IX/2025, diakses melalui [https://kppu.go.id/wp-content/uploads/2025/09/Siaran-Pers-No.066\\_KPPU-PR\\_IX\\_2025.pdf](https://kppu.go.id/wp-content/uploads/2025/09/Siaran-Pers-No.066_KPPU-PR_IX_2025.pdf) pada tanggal 30 Oktober 2025.

In this article, it is stated in the decision that TikTok Nusantara (SG) Pte. Ltd. has been proven legally and convincingly to have violated Article 29 of Law No. 5 of 1999 in conjunction with Article 5 of Government Regulation No. 57 of 2010. The KPPU fined TikTok Nusantara (SG) Pte. Ltd. Rp15,000,000,000.00 (fifteen billion rupiah), which must be paid to the State Treasury as a fine for violations in the field of business competition. The imposition of a fine of IDR 15,000,000,000.00 by the KPPU on TikTok Nusantara (SG) Pte. Ltd. is a concrete manifestation of the regulator's strong commitment to ensuring business actors' compliance with merger and acquisition notification rules. This administrative sanction also serves as a warning to other business actors, particularly technology companies and multinational entities that use Special Purpose Vehicles (SPVs), that any takeover that impacts the Indonesian market remains under the jurisdiction of Indonesian competition law.

From a competition law perspective, the approach adopted by the KPPU reflects the principles of legal certainty and strict compliance, as Article 29 of Law No. 5 of 1999 does not allow for an interpretation whereby the obligation to notify an acquisition may be delegated to another entity within the same corporate group. Doctrinally, this approach is consistent with the principle of separate legal entity, under which each legal entity is regarded as an independent subject of law, as well as with the principle of formality in administrative law, which requires procedural compliance as a prerequisite for the legal validity of an administrative act. In this context, although the use of a Special Purpose Vehicle (SPV) is a common practice in global transactions, within competition law an SPV must not be used as a means to evade legal obligations. In the TikTok Nusantara–Tokopedia case, the SPV was the entity that directly acquired control, was formally recorded as the acquiring party in the deed and amendments to the articles of association, and resulted in a change in the market control structure; accordingly, from a legal standpoint, it must be treated as a fully responsible

business entity, notwithstanding the fact that economic control resides with the parent company. Therefore, normatively, the KPPU was correct in concluding that a notification submitted by the parent company could not substitute the notification obligation of the SPV as the acquiring party, thereby reaffirming the application of the substance of control doctrine, namely that the assessment is based on the entity that legally carries out the acquisition, rather than merely on the economic structure of the corporate group. Thus, the argument that the parent company has filed a notification cannot be used as a reason to avoid the legal responsibility of the entity that directly carried out the acquisition.

Overall, the authors' emphasize the importance of a comprehensive understanding of acquisition notification obligations, especially in the context of cross-border transactions and complex corporate structures. These obligations are not merely administrative procedures, but instruments for maintaining a healthy and fair market structure and preventing excessive economic concentration. Merger and acquisition regulations in Indonesia place corporate compliance as a key element that must be fulfilled before assessing the substantive impact of a transaction on business competition.

## Conclusion

This study demonstrates that compliance with the acquisition notification obligation under Article 29 of Law No. 5 of 1999 must be understood as a strict and independent legal duty, separate from the substantive assessment of competition effects. The TikTok Nusantara–Tokopedia case illustrates that the core legal issue lies not in the anti-competitive impact of the transaction, but in procedural compliance with merger control requirements. By affirming that the notification obligation rests with the legal entity that formally conducts the acquisition, the KPPU reinforces the

principles of legal certainty, separate legal entity, and procedural accountability within Indonesia's competition law framework. This approach underscores that corporate group structures and economic control cannot displace clearly assigned legal responsibilities.

At the same time, the case reveals structural challenges in the current merger control regime, particularly regarding the treatment of Special Purpose Vehicles (SPVs) in cross-border transactions. While the KPPU's formalistic interpretation is doctrinally sound, it also exposes the absence of explicit regulatory guidance on SPVs, which may generate legal uncertainty for multinational corporations operating in Indonesia. This tension highlights the need to balance strict procedural enforcement with proportionality and responsiveness, especially where violations are administrative in nature, conducted in good faith, and do not result in demonstrable harm to market competition.

From a broader governance perspective, the findings confirm that merger notification obligations function not only as instruments of competition law enforcement, but also as mechanisms for promoting Good Corporate Governance. Compliance with notification requirements reflects corporate responsibility, transparency, and accountability, all of which are essential for maintaining trust in regulatory oversight and market integrity. Consequently, failure to comply should be viewed not merely as a technical breach, but as a governance issue that may undermine regulatory effectiveness.

Future research may further explore the harmonization of Indonesia's merger control regime with international practices, particularly in relation to SPVs and multinational corporate groups. Comparative studies with jurisdictions that have developed more explicit SPV notification rules could provide valuable insights for regulatory reform. Such research would contribute to the development of a merger control framework that ensures legal certainty while remaining adaptive to the evolving structure of global digital markets.

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